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From the magazine

New York's Republican Crack-Up

In 1994, Empire State Republicans were on top of the world. Then—through cowardice, lack of principle, and disunity—they blew it.

[Steven Malanga Spring 2001](#)

Politics and law New York

When George Pataki swept to victory over Mario Cuomo in 1994, it seemed the dawn of a golden age for New York's Republican party. For the first time in a quarter century, the GOP controlled the governor's mansion, the attorney general's office, and the mayoralty of the Empire State's biggest city. Rudy Giuliani was putting a Republican stamp on Gotham with an aggressive agenda of crime control and fiscal restraint. George Pataki quickly gave New York State more of the same with a big income-tax cut and the reinstatement of the death penalty. Confident party leaders ebulliently talked of following up their electoral gains, perhaps even winning back control of the State Assembly, which had been in the hands of the Democrats for 20 years.

Today, the New York Republican party and its agenda are in tatters, and party leaders are on the run. Since 1995, the GOP has lost a U.S. Senate seat, three U.S. congressional districts, the attorney-generalship of the state, two seats in the State Senate, two seats in the State Assembly, and control of the once unassailably Republican Westchester and Nassau county legislatures. True, the party kept the governorship in 1998, although by a worryingly narrow majority against a weak Democratic challenger. But last November, Republicans fared truly dismally. Al Gore carried New York State in the 2000 presidential election by a wider margin than Lyndon Johnson piled up in the landslide year 1964. Hillary Clinton won her Senate seat with a muscular nine-point margin. The party continued to lose ground in the Assembly and at the county level. It now seems almost impossible that a Republican will succeed Rudy Giuliani in New York City Hall and increasingly doubtful that the Republicans will retain the governor's mansion in 2002.

How did the party get into this mess? Not because it succumbed to Gingrichian "extremism." Quite the reverse: it has spent lavishly, resisted broad tax cuts, shunned tort reform, championed environmental regulation, overpaid government employees, and emitted bonds with the glad-handed profusion of a Russian central banker.

In short, time and again the New York Republican party has abandoned its core message—the message of fiscal restraint, small government, and deregulation that got Pataki elected. Each time, the party has justified its surrender in the name of survival. Its strategists have promised

that this "moderation"—which is the term they use to describe immoderate taxing, spending, and borrowing—would save the party. Outward and visible signs of that salvation are, however, difficult to detect. Instead, the party seems determined to ensure that it not only loses power, but loses it unlamented by its supporters. It's an awfully sad conclusion to a story that commenced so hopefully in 1994.

Back then, George Pataki appeared to have dragged the party of Nelson Rockefeller into the era of Ronald Reagan at last. New York State has never really recovered from Rockefeller's costly four terms, and neither had the New York Republican party. Just as Rocky rebuilt Albany to suit his tastes—and damn the costs—so he remodeled his party. Out went the reactionary patricians of the Union League, out went the stalwarts who remembered Boss Platt, out went the working-class Catholics who would later vote for Barry Goldwater for president and William Buckley for mayor. Rockefeller left them to the Conservatives down the ballot. He envisaged his Republican party as a modern party—by which he meant a liberal party. In came moral obligation bonds, in came lenient judges and cops, in came the most extravagant state government in the nation.

In time, of course, Rockefeller went out too. He resigned the governorship in December 1973, worn out by the disappointment of his presidential hopes in 1964 and 1968, and then he suffered the terminal humiliation of being dropped from the Republican vice presidential ticket in 1976. His party collapsed behind him. The Republicans had been competitive in both houses of the State Legislature in the 1950s and 1960s, but they lost control of the Assembly in 1974 during the first wave of Watergate-inspired voter rejection of Republicans, and they never regained it. Republican president Ford's refusal to rescue New York City from its financial troubles in 1975 damaged the party downstate, where the population was growing; the economic stagnation upstate depopulated the regions where the party retained its popularity; and in 1974 the Democrats won back the governorship they had lost to Rockefeller in 1958. They would keep it for almost 20 years.

During those two decades in the wilderness, the Republicans retained one last redoubt: the State Senate. But a defeated and dispirited lot those state senators were. Underneath them was an overwhelmingly Democratic Assembly, whose procedures grind the objections of the minority into powder. ("We have the right to show up," quips Assembly minority leader John Faso, "the right to vote—and that's about it.") Above them was the overwhelming power of one of the constitutionally strongest governorships in the country.

Perhaps the Republican senators could have put up stiffer resistance. But their ranks were filled with holdovers from Rockefellerism, along with a new generation of free-spending suburban legislators blissfully out of touch with the small-government Republicanism of Ronald Reagan. New York's GOP remained a party of big spenders, who simply sought to consume tax dollars differently from the way their Democratic brethren did. They acceded to the Democrats' demands for more spending on welfare, mass transit, Medicaid, and the City University of New York in return for more spending on roads, agriculture, suburban school districts, and the State University of New York. When it came to spending New Yorkers' hard-earned dollars, the state had no opposition party.

Nothing epitomized this pattern more than the reign of Senate president Ralph Marino, a product of the Nassau Republican machine, who guided the party from 1988 through 1994, when he was deposed by the newly elected Governor Pataki. For three straight years—from 1989 through 1991, while the economy slipped into recession—Marino's Senate voted with the Democratic Assembly to increase taxes by more than \$1 billion annually. So profligate was the combination that it was often left to Governor Cuomo (of all people) to restrain the legislators' spending sprees, as he did in 1991, when he used his line-item veto to cut hundreds of millions of dollars in legislative programs.

The longer the Senate and Assembly collaborated, the more fixed the mentality of collaboration grew. An entire generation of Republican senators watched their party endure electoral defeat after defeat for state government offices. They cringed under the bullying and lecturing of Mario Cuomo and learned to live on the crumbs the Democrats left them in exchange for their willingness to be co-conspirators in the tax-and-spend follies.

It is possible to grow quite fat on crumbs, as Tom Wolfe pointed out in *The Bonfire of the Vanities*; but this is not a life that attracts true leaders. By 1990, the party was so devoid of talent that it had to scramble to come up with a nominee for governor. It settled on an obscure and cranky business economist named Pierre Rinfret, who had two—and only two—qualifications: he was not pro-life and party leaders (mistakenly) believed that he could and would pay for his campaign himself.

And here the party hit bottom. The press quickly exposed as false Rinfret's claim to have earned a Ph.D. in economics at the University of Dijon. Rinfret finished almost 20 points behind Cuomo and barely ahead of the Conservative candidate, New York University professor Herb London. Some believe that he would have finished behind London had not a substantial minority of the electorate mistaken him for a former New York Rangers goalie. Most fatally, he bequeathed to the party a \$2 million debt just as the state's economy was sliding into its donation-crimping recession.

That same recession turned out to be the salvation of the Republican parties of the northeast. The region's economies had been underperforming for years, New York's worst of all. So long as the national prosperity of the 1980s lasted, it disguised the states' woes. The 1990–92 slump ripped the disguise away from the reality of decline. Quite suddenly, the least conservative region of the country began to respond to conservative themes. In 1990, William Weld won the governorship of Massachusetts on a tax-cutting, prosperity-restoring platform. Christine Whitman carried New Jersey with an even more ambitious tax-cutting plan in 1993.

That same year Rudy Giuliani won the mayoralty of New York City, Gotham's first Republican mayor since John Lindsay's election in 1965. But if Lindsay had swept to City Hall as a liberal Republican and then abandoned the party altogether, Giuliani's brand of Republicanism was even odder. His chief political ally was Liberal party boss Ray Harding, and, although Giuliani began his tenure with recognizably Republican fiscal restraint and toughness on crime, he capped off 1994 by endorsing Cuomo over Pataki, observing that the Democrat's free-spending ways would benefit the city more.

In the end, Giuliani's endorsement mattered little, because nowhere was there more potential for a resurgent Republicanism than in New York State. Nearly one-third (29.7 percent) of all the jobs lost in the country in 1990–92 had been lost in New York State. The state's tax burden was the heaviest in the country after oil-rich Alaska (which extracted its taxes in the painless form of excise levies on the production of natural resources). Liberal criminal laws were exporting urban violence and disorder outward to communities like Hempstead and White Plains. Then the man who had sown the unfolding disaster, Governor Cuomo, made the arrogant mistake of seeking to match Nelson Rockefeller's four-term record. In November 1994, the voters of New York repudiated him, replacing him with the little-known state senator who promised to restrain state spending and cut taxes—tardily bringing to New York the Reagan revolution.

At first, those promises were kept. The new governor pushed the legislature to cut personal income-tax rates by 25 percent, to remove the emergency corporate surcharge imposed in Cuomo's final term, to phase out the gross-receipts tax on energy use, and to soften the alternative minimum tax. The state budget fell for the first time since the fiscal crises of the 1970s. It was an impressive accomplishment—but a short-lived one.

"I want to be Christie Whitman," Pataki had told supporters. It was an aspiration with a double meaning, for like Whitman, Pataki was not a tax cutter by conviction. He saw his 1995 tax-reform package as a drastic emergency measure to reinvigorate an ailing economy, much the way a man with heart disease might regard a bypass operation. When a bypass succeeds, however, the patient does not rush out to have a second, and Pataki seems to have thought the same way about further doses of conservatism. One was unavoidable; two, quite redundant.

His anti-conservative instincts quickly became unmistakable. In early 1996, he crisscrossed the state, stumping for an environmental bond act, which his polls showed that voters supported. His political godfather, U.S. Senator Alfonse D'Amato, leaped into the campaign, raising hundreds of thousands of dollars for ads supporting the bond act and starring . . . him. Together, the state's two top Republicans, with the support of Democratic unions, environmentalists, and editorial boards, succeeded where Mario Cuomo had failed in 1990 to win voter approval of borrowing for environmental projects, despite the state's already stratospheric debt.

At the time, it seemed like a brilliant political strategy, confirmed by the dismal showing of the national Republican candidates in 1996. The national anti-tax agenda on which Pataki had floated into power evaporated. Bob Dole, who had promised a 15 percent tax cut—and had even put a New Yorker, Jack Kemp, on a Republican ticket for the first time since 1948—won less than one-third of the Empire State's votes.

From that point on, the policy of the Pataki administration was one long retreat. Environmental protection displaced tort reform. Pataki never sent the legislature another income-tax cut. Instead, the legislature enacted, and the governor signed, a list of micro-cuts that read like the Christmas wish list of an Albany lobbyist: reductions in excise taxes on beer; reductions in taxes on pari-mutuel betting, on diesel fuel, on clothing sales, on municipal parking, on alternative-fuel vehicles, on coin-operated telephones, and on sales of supplies for theatrical productions. On social issues, the man who had once scourged Mario Cuomo as "too liberal, too long" repositioned himself as a champion of homosexual rights and as a stalwart of affirmative action.

Not surprisingly, Pataki's repositioning left some of his original backers twisting slowly, slowly in the wind—above all Senate president Joseph Bruno, an upstate businessman with strong free-market instincts, whom the governor had backed to replace Marino. In late 1996, Bruno had resolved to end the state-legislated system of rent regulations in New York City, up for renewal the next year, and he got Pataki's tacit approval of his plan. To succeed, Bruno and Pataki just had to do nothing, and the law would expire. It was a worthy, quintessentially Republican, goal: market-distorting rent regulations notoriously discouraged new housing construction in the city, saddling New York with inflated rents and a perpetual housing shortage.

But as Pataki came under heavy pressure from rent regulations' outraged beneficiaries, he cravenly capitulated, betraying Bruno and embracing a deal to renew the regulations. The reason for the surrender: Senator D'Amato. Furiously trying to reposition himself as a moderate for his reelection race in 1998, the state's most powerful Republican leaned on Pataki and Bruno when Democrats threatened to run ads accusing him of being the real anti-rent-control grinch.

This slide toward the center was standard operating procedure for the senator from Nassau County, who more than anyone came to define the unprincipled capriciousness of the state Republican party. D'Amato had come to power in 1980 on the strength of the Reagan revolution, appealing to the new forces within the Republican party, especially ethnic conservatives, who rejected the politics of the liberal Republican senator Jacob Javits. But despite his conservative beginnings, D'Amato turned out to be ever the trimmer, lurching toward the center whenever he thought that it would win votes or money. Facing reelection in 1992, for instance, the senator soon learned that to pump up his ratings from liberal and Democratic-backed groups like the AFL-CIO and the Consumer Federation of America, all he had to do was embrace issues that they endorsed. Then, after the Republicans scored heavily in the midterm congressional elections of 1994, he zigzagged back toward conservative positions, only to move left again, under the influence of his own political advisor, Republican strategist Arthur Finkelstein, as the tide turned against Bob Dole in 1996.

Leading up to his reelection bid in 1998, D'Amato had shifted positions more times than an NFL wide-receiver. His allies in the preceding years had variously included trial lawyers, hospital-workers unionist Dennis Rivera, and environmentalists. Still, D'Amato's calculating shift leftward was unavailing. When the Democrats nominated a credible candidate to oppose him—Congressman Chuck Schumer—D'Amato's newfound friends rushed back into the Democratic fold.

D'Amato's defeat only seemed to inspire his former protégé to run away from Republicanism ever more vigorously, carrying with him the party whose leader he became upon D'Amato's departure. Nothing exemplified that shift more starkly than the alliance that Pataki and the formerly staunch conservative Bruno made with health care union leader Rivera in 1999. Three years earlier, Pataki had resolved to deregulate the state's bloated and outdated health-care system, one of only two in the country that set rates for hospitals. To ease the transition to a competitive system, he offered hospitals more than \$1 billion in subsidies, including huge surcharges on private insurance.

The transitional subsidies were set to expire at the end of 1999, to the great relief of businesses, insurers, and counties that paid steep Medicaid bills. But Rivera, loaded with more than \$10 million in political action money, ran hysterical TV ads warning of an impending health-care crisis if the subsidies vanished and if the governor pushed for more extensive health-care reform than the modest change he had effected in 1996. Pataki gave in. Together with Bruno, Rivera, and left-wing Assembly majority leader Sheldon Silver, he worked out a plan that maintained the subsidies, hijacked several hundred million dollars per year in tobacco-settlement money earmarked for the state's counties, and vastly expanded the Medicaid system. In return for their largesse, the two Republicans got one big favor: worried that the party's fortunes were slipping so much that they might lose control of the State Senate in the 2000 elections, they persuaded Rivera, with his huge war chest, to stay out of local races.

With the Rivera deal, the Republicans had come full circle, after the brief shining moment of 1994 and 1995. Once again, the state GOP was a party with little use for ideas and little trust in principles, except the principle of self-preservation. A historic opportunity had been squandered.

The fate of the Nassau county GOP organization—a perfect embodiment, almost to the point of caricature, of the party's unprincipled politics—should serve as a warning to Republicans across the state. Republicans held majority control of the Nassau legislature uninterrupted since the formation of the county in 1899; their control of the executive was broken only briefly by an eight-year Democratic interregnum in the 1960s. Over that century, the Nassau GOP built one of America's last favor-dispensing political machines. Everything from summer lifeguarding jobs to government contracts was steeped in patronage. Most taxpayers understood that the machine was costly, but few understood how costly, thanks in large part to the county's archaic and opaque property-tax assessment system.

But then the machine ran out of gas. Although Nassau is one of the nation's richest counties, its economy took it on the chin in the early 1990s, as Grumman, its biggest employer, shrank rapidly, along with the rest of the county's high-tech defense industry. Rather than impose fiscal discipline, Nassau's profligate Republicans, led by county executive Thomas Gulotta and county GOP chairman Joseph Mondello, continued to shovel out money, using fiscal tricks to mask budget woes. Favored constituencies reaped rich rewards; the pay of the county police, who strongly backed Republican leaders, rose 60 percent during the 1990s, for example, and by decade's end the average compensation of a Nassau cop was \$114,000 a year. The county borrowed to pay for ordinary operating expenses, like road repairs; it issued a staggering \$3.2 billion in debt over ten years—\$2,447 for every resident.

Finally in 1999 the whole fiscal edifice collapsed: the county faced an immediate shortfall of \$80 million and a \$300 million budget gap by 2003. The state rushed in with aid, but the damage was done. In November of 1999, the voters of Nassau—with an understandably emphatic turnout—brought a century of Republican legislative control to an end.

For Empire State Republicans, every demographic trend bodes ill for future electoral success. New York is becoming blacker and browner; it is home to fewer and fewer married-with-children families; as downstate gets richer, the children of the socially conservative blue-collar Catholics of Queens and Staten Island ascend into the socially liberal professional classes and

tend to become more Democratic. Meanwhile, upstate's voters are becoming more alienated and economically radical—and have thus become more open to a Democratic candidate who seems to care about them, as Hillary Clinton professed to care. Rick Lazio road-tested George Pataki's "everything is fine" campaign strategy for him. The results are not encouraging.

The governor himself may soon discover the limits of this strategy. The Democrats will certainly field a stronger candidate against him next year than they did in 1998—quite possibly Andrew Cuomo, whose gritty style may persuade the neglected white working class to come home to the Democrats one last time, or state comptroller Carl McCall, who is certain to spur turnout in heavily Democratic minority neighborhoods. Pataki must be eyeing McCall and Cuomo with the knowledge that in 1998 he managed to win just 52 percent of the vote against a very weak Democratic opponent.

If Pataki decides not to run, Gotham's mayor Rudy Giuliani is the state's only other Republican with enough credibility to mount a decent campaign against a strong Democratic challenger. A Giuliani campaign would in itself be a step toward reforming the party, since it would be toxic to the New York GOP apparatchiks who surround Pataki. The bruising mayor's first act would be to take control of the state party away from them.

But then what? Nobody has played the role of the outside reformer better than Giuliani. Even after seven years in power, he is an upsetter of apple carts, the recognized enemy of entrenched interests and antique dogmas in New York City's public life. But he has done nothing to help build a Republican party in his reforming image. His endorsement of Cuomo ensured that a city-state Republican alliance never materialized. In the city, he has left no presumptive successor, no organization to ensure that his brilliant ideas and extraordinary accomplishments endure beyond his term. Nothing summarizes his failure in this regard more than the fact that the GOP's nominee in this year's mayoral race is likely to be high-living businessman Michael Bloomberg, a newly registered Republican who has hired a host of left-wing Democrats, including former David Dinkins consultant Esther Fuchs, to advise him.

So where does the party go? Because it has no overarching ideology to unite its half-dozen different factions, holding them together within one organization is like carrying an armload of potatoes without a sack: at every bump or lurch, some get dropped. One by one, crucial components of the Republican coalition are figuring out that they are getting less out of this coalition than they might get from the Democrats. Wealthy downstaters are deciding that, if they're not getting a tax cut anyway, they might as well vote for the party that's fully committed to abortion. Culturally conservative Catholics figure that, if they're not getting any action on moral and social issues, there's no reason not to vote for the candidate their union leadership endorses. Poor upstaters seem to have concluded that, if their hopes for economic growth are to be sacrificed to environmentalism, they might as well vote for the more generous prescription-drug benefit. Instead of something for everyone, the New York Republican party seems to be trying for a third gubernatorial term on a slogan of Nothing for Anyone.

This won't work. "If voters want a liberal, they're going to vote for a real one rather than a Republican who is a cheap imitation of a liberal," observes Thomas Carroll, head of the anti-tax group Change NY.

What might work is a party willing to acknowledge that it is inherently the opposition party, regardless of the offices its members happen to hold. And the first duty of an opposition party is, as Disraeli said, to oppose. For the New York State Republican party, that means discovering a commitment to reform that tackles the state's still-crushing taxes, heavy regulations, and oversize government. It means tirelessly explaining to uncomprehending voters why such reforms really will improve their lives. And it means combining the commitment to economic and political reform with an appeal to those cultural conservatives for whom the state's editorial pages may have little use, but who have historically done for the Republican party the indispensable phone banking, voter driving, envelope stuffing, and door knocking that the unions do for the Democrats.

New York's Republicans have a stark choice. They can continue as the party of parochial interests and narrow agendas desperately grasping after a few crumbs thrown their way. Or they can finally commit to embracing the Republican revolution of the last 20 years—the revolution of smaller government, lower taxes, and more opportunity—that New York State still so desperately needs.